



October 13, 2015

Victoria Wachino
Director

Center for Medicaid & CHIP Services Centers for Medicare & Medicaid Services
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Re: Public Comments Request for Amendment of Iowa's §1115 Waiver Demonstration: Iowa Wellness Plan, Project #11-W-00289/5

Dear Director Wachino:

The Iowa Primary Care Association (Iowa PCA) and Iowa Association of Rural Health Clinics have been closely monitoring and involved in the implementation of Medicaid managed care in Iowa including being actively engaged in discussions with the state, the new MCOs, and patients to make this new plan as successful as possible. The Iowa PCA submitted comments directly to the Iowa Department of Human Services on the proposed CMS waivers the state developed and has now submitted to CMS. We are taking this opportunity to comment directly to CMS given one issue of great significance to the Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) in Iowa although we do have other concerns about the implementation. We know our concerns about floor rates are shared by other provider groups here so ask that you take this issue under serious consideration.

Proposed Rates for FQHCs and RHCs by State in Direct Conflict with Iowa State Law

The state will be directing MCOs to pay floor rates for FQHCs and RHCs resulting in substantially less Medicaid revenue and that is not consistent with the current payment methodology that is mandated in both Iowa law and administrative rules. The resulting Medicaid revenue losses for just FQHCs ranges from 4% - 22% with an average of 16%. A number of RHCs have conducted this same analysis and in all cases revenue losses are projected. These safety net providers are critical primary care providers and are key to the success of any managed care program. The state has said throughout the process that reimbursement levels to health care providers will not be less than what is currently in place. The state's current proposal to only require the MCOs to pay BIPA/PPS, rather than the greater of BIPA/PPS and 100% of reasonable costs (also the alternative payment methodology identified in the current State Plan Amendment). Furthermore, there are no provision for wrap payments, all of which is inconsistent with the commitment the State made to providers, when providing information at public forums. The state has not explicitly stated this shift in payment methodology for FQHCs and RHCs in their CMS waivers.

Current Iowa Law:

249A.18 Cost-based reimbursement — rural health clinics and federally qualified health centers. Rural health clinics and federally qualified health centers shall receive cost-based reimbursement for one hundred percent of the reasonable costs for the provision of services to recipients of medical assistance.

Current Iowa Administrative Rules:

441—79.1(2) Reimbursement

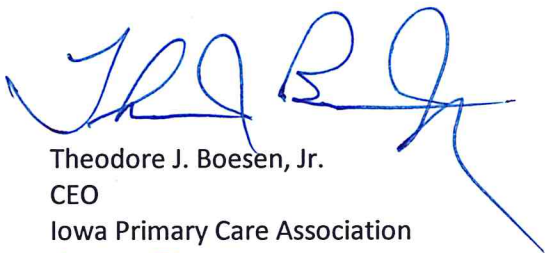
1. Prospective payment rate as required by the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (BIPA 2000) or an alternative methodology allowed thereunder, as specified in "2" below.
2. 100% of reasonable cost as determined by Medicare cost reimbursement principles.

441IAC 88.14 Managed Care

Contracts with federally qualified health centers (FQHCs) and rural health clinics (RHCs). In the case of services provided pursuant to a contract between an FQHC or RHC and a managed care organization, the organization shall provide payment to the FQHC or RHC that is not less than the amount of payment that it would make for the services if furnished by a provider other than an FQHC or RHC. The payment from the managed care organization to the FQHC or RHC shall be supplemented by a direct payment from the department to the FQHC or RHC to provide reimbursement at 100 percent of reasonable cost as determined by Medicare cost reimbursement principles. FQHCs and RHCs shall be required to submit Form 470-3495, Managed Care Wraparound Payment Request Form, to the Iowa Medicaid enterprise provider audits and rate setting unit to document Medicaid encounters and differences between payments by the managed care organization and 100 percent of reasonable cost as determined by Medicare cost reimbursement principles.

Reductions in primary care access, which would occur with the state's proposal, would have negative impacts on cost savings and health outcomes, which are key tenets in the state's managed care plan. We greatly appreciate the opportunity to provide comments and look forward to continue working with the state and other partners to serve Iowa's Medicaid population. Please contact me with any questions.

Sincerely,



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